

MTRB Employer Bulletin

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Massachusetts Teachers' Retirement Board

BOSTON OFFICE

69 Canal Street
Boston, MA
02114-2006
617-727-3661
FAX 617-727-6797

SPRINGFIELD OFFICE

101 State Street
Suite 210
Springfield, MA
01103-2066
413-784-1711
FAX 413-784-1707

mass.gov/mtrb

EMPLOYER SERVICES
Richard Probert,
Director
617-878-2895
FAX 617-727-4443
empsup@trb.state.ma.us



Extreme makeover—the MTRS edition!

*In May, we're changing our official name to **MTRS** and relocating our main office from Boston to East Cambridge—watch your e-mail for the latest info!*

We're relocating our main office from Boston to East Cambridge and, since we need to reprint all of our materials to reflect our new address, we are also taking this opportunity to officially change our name to the Massachusetts Teachers' Retirement System (MTRS). We want our name to reflect that we are a much larger group—comprised not only of the Board, but also of active and retired members, employer representatives and our staff—and we function as a “system,” all interdependent upon one another.



Our new main office will soon be on the second floor of One Charles Park in East Cambridge, right next to the CambridgeSide Galleria. We are very excited about this new building, which offers you and our members reasonably priced on-site parking, a comfortable first-floor amphitheater for educational programs, 24/7 security and housing for all of our member files.

What will stay the same...

- Our **Springfield** office location and contact information.
- The **lockbox** address for your monthly payroll reports (W6970, Massachusetts Teachers' Retirement System, P.O. Box 7777, Philadelphia, PA 19175-6970), but please make your deduction checks payable to the Massachusetts Teachers' Retirement System (MTRS) instead of “Board” or MTRB.

- Our **commitment** to providing you and our members with quality service at all times.

What will change...

- Our **main office address, phone and fax numbers**—watch your e-mail and our web site for details.
- Our **web site** address, which will change to mass.gov/mtrs.

- Our **forms** will be updated with our new logo and contact info, but the content will stay the same unless we let you know otherwise. Please continue to use the “old” forms if you are in the middle of a transaction, but remember to send them to our new address once we've moved.

...and when...

The changes will be effective as of the date of our move to Cambridge in **May**. As of press time, however, we do not have an exact move date, but we will be sure to let you know the date via broadcast e-mail. We will also be advising our members of our new information via broadcast e-mail, our web site and an insert with their annual statements.

If you have any questions about our makeover, please send us an e-mail at empsup@trb.state.ma.us. ■

R E M I N D E R S & U P D A T E S

Update: PERAC has amended its regular compensation regulation to exclude ELBO payments from regular compensation

Some existing ELBOs are “grandfathered” in—watch for a broadcast e-mail from us in the next few weeks with details on how the new regulation will be implemented

On April 7, 2006, our oversight agency, the Public Employee Retirement Administration Commission (PERAC), finalized an amendment to its regulation governing regular compensation. This regulation excludes from regular compensation any extraordinary, ad hoc, or non-recurring payments, such as Enhanced Longevity Buy-Out (“ELBO”) payments. The regulation includes “grandfathering” language, however, that preserves certain existing ELBO provisions in regular compensation for now. The regulation is found at 840 CMR 15.03 and school districts are encouraged to consult their school counsel about its operation.

Within the next few weeks, the MTRS will send out a broadcast e-mail to all school district employers with the implementation guidelines for the new regulation. If you are not sure if we have your current e-mail address, please send your e-mail address to us at empsup@trb.state.ma.us so you do not miss this important information.

Update: New version of Part 2 of the retirement application released

Per our broadcast e-mail to payroll personnel on March 23, please use the new four-page version for new applications

As you know, a year ago, we overhauled our entire retirement process and application form. Now, in light of a year’s experience, and in anticipation of our retiring the largest class of educators ever (estimated at approximately 5,000 teachers and administrators), we have reviewed our application and made some minor modifications to both Part 1, which is completed by the member, and Part 2, which is completed by employers. Please note, however, the basic process remains the same: members are still to complete Part 1 and provide you with a printed copy of Part 2; you are still to complete Part 2 and return it to the member for sending to us.

Please note:

- The new Part 2 replaces the old Part 2.
- If you HAVE already completed the old Part 2 for a retiring employee, you do NOT need to complete a new Part 2. We will continue to accept the old version of Part 2.
- If you HAVE NOT yet completed Part 2 for a retiring employee, please use the new Part 2. As you’ll note, the changes between the old and new versions are not major, but we would like you to start using the new version as soon as possible.

- The new, interactive version of Part 2 is available on our web site where the old version had been (Home > Employers > Employer forms > Retirement application, Part 2; <http://mass.gov/mtrb/4emp/4empret.htm>). For your reference, a point-by-point list of the changes is also included in the “update” on that page.

- The complete retirement application—Parts 1 and 2—continues to be available to members at <http://mass.gov/mtrb/2members/20active/intro.htm>.

If you have any questions about our new form, please be sure to contact us at empsup@trb.state.ma.us. Your input is always welcome and appreciated! ■

If you haven’t already sent us electronic or paper copies of your collective bargaining agreements, please send them

If you’ve already done so, thank you!

We’re happy to report that school districts are responding to our requests for electronic copies of their collective bargaining agreements, sending them to us via e-mail attachment. As a result, we are expanding our electronic contract archive. Having this information is facilitating retirement processing by eliminating much of the back-and-forth communication with employers.

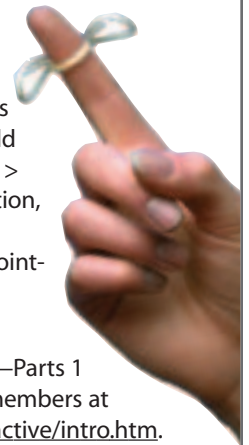
If you have already sent us your contracts, thank you! If you haven’t yet, please do so at your first opportunity. If your district is among those where contracts are currently unsettled and negotiations are in progress, simply notify us by e-mail. Kindly e-mail your contracts to us at empsup@trb.state.ma.us. ■

Q If I have already forwarded our district’s CBAs, do I still need to provide you with copies of the relevant contract schedule pages—with the particular salary step and additional compensation information circled—for retiring members?

A For payroll personnel, the answer is no—except in the case of additional earnings for coaching, extracurricular activities, longevity or other earnings, as described in Part 2, Section 3.

For the retiring member, however, the answer is YES.

It is the retirement applicant’s responsibility to provide his or her specific salary schedules. As described in Part 1, Section 3, the member is to attach **copies of his or her salary schedules from the collective bargaining agreement to verify the salaries listed in the application**. Members are also instructed to include any pages referencing contractual language to substantiate any earnings in excess of their regular contract rates.



DOE recently announced the availability of \$25,000 Planning and Early Implementation grants for its program "School redesign: Expanding learning time to support student success"

New DOE grants: Do payments to educators count as regular compensation?

The Department of Education recently announced the availability of Planning and Early Implementation Grants for its *School Redesign: Expanding Learning Time to Support Student Success* program. Districts receiving these grants will develop plans, budgets, and community support for expanded school learning time, which is scheduled to take effect in September 2006. The Department awarded \$25,000 grants to fourteen school districts that applied successfully for a grant. In school year 2006–2007, districts that complete the planning process and are approved to open schools with longer school days/years will receive grant funding to support the additional costs.

Do payments made to educators from the new grants count as regular compensation?

In future school years, if salary schedules are increased to reflect longer days, those increased salaries will not be for "extra work" and will be counted as regular compensation.

In the current school year, presumably, some of the grant funds will be paid to teachers in the form of stipends for extra work. These stipends **can** be included in regular compensation only if the district (and members) follow some simple rules.

1) The extra pay and additional duties **must** appear in the collective bargaining agreement

As required by the Board's regulation 807 CMR 6.03, the **extra pay** and **additional duties** must appear in the collective bargaining agreement. If a collective bargaining agreement ("CBA") is already in effect, the parties (the school committee and the local union) can execute an amendment to the current CBA, perhaps in the form of a memorandum of agreement. That amendment can be retroactive to the date that the work started, as long as that date is within the term of the existing CBA.

2) The pay should be a fixed stipend.

Second, the pay should be a fixed stipend, like a salary, not an hourly or per diem wage that varies with the amount of time worked. For example, a CBA could provide that a teacher performing the extra duties will receive a stipend of \$1,200. The underlying basis for the stipend may relate to a percentage increase above base salary, or may have

been calculated based on a contractual hourly rate. However, the contract must provide that the pay is a fixed stipend that is paid regardless of the actual days or hours worked.

District officials, or members, with questions about how to make sure these stipends are included in regular compensation can contact the Board's General Counsel, James Salvie, at 617-878-2877, or by e-mail, at james.salvie@trb.state.ma.us. ■

Two upcoming MTRS seminars— *Please pass the word!*

We're presenting our popular Next Chapter programs in May:

- **Saturday, May 13 at UMass/Boston**
- **Saturday, May 20 at UMass/Amherst**

The Next Chapter is a comprehensive retirement planning program that has been presented by the MTRB since 1986 in order to help its members prepare for retirement. This popular all-day seminar features professionals who address many retirement issues, including:

- Financial planning
- Estate planning
- Social Security
- The transition to retirement
- Overview of MTRS benefits

There are still many openings for the Amherst program, and a few for Boston. We kindly ask that you pass this information along to MTRS members whenever possible.

Registration information and details can be found on our web site at mass.gov/mtrb. Registration will close the first week in May.

If **you** have any interest in attending one of these programs yourself, please contact Marcos Rios in our Education Unit via e-mail at marcos.rios@trb.state.ma.us.

Thank you very much for your assistance with passing this important information along to your employees!

Members' annual statements will be mailed in June

The statements will be mailed after we've relocated our main office to Cambridge, and will include a notice with our new contact information

Retirement boards in Massachusetts are required to distribute annual statements to members by July 1 of each year. Because our main office is relocating to Cambridge soon (*see page 1*), this year the MTRS annual statement will be mailed to members in June, instead of May as in previous years. The calendar year 2005 statement will provide members with the following account information:

- the name and type of their designated beneficiary (or beneficiaries);
- a detailed summary of their retirement account, including pre-tax and after-tax deposits, interest and 2005 and prior year-end totals; and,
- additional demographic information—such as date of birth, sex, veteran and marital status, and number of dependent children—that the system's fund managers use to evaluate risk and future liabilities.

The annual statement gives our members the opportunity to review the information that we have on file for them, and to submit updates and corrections when necessary. It also provides us with the opportunity to reinforce with our members the importance of their keeping their address up to date with you, their employer, as our information is based on what we receive from your monthly payroll reports.

We are truly grateful for the cooperation and assistance we receive throughout the year from payroll officers, treasurers and business administrators working in every school district in the Commonwealth. Without your efforts and the data you provide we would not be able to deliver this important service to your employees. ■

Reminder—

RetirementPlus APAs most likely **not** required for members retiring on or after June 30, 2006

The light at the end of the RetirementPlus APA process is shining brightly now—thank you for all of your work in completing these over the last five years!

As a reminder, if the member's retirement date is June 30, 2006 or after, you probably don't need to submit an APA. If the member has contributed at 11 percent for five full years, then she has met the contribution requirement for RetirementPlus and has NO accelerated cost and does NOT need to complete an APA.

If you have a member who does need to make accelerated RetirementPlus payments, however, please be sure to use the APA document that is on our web site, as it is "submittable" online, and we want to receive your data

electronically. After June 30, 2006, if an employee is retiring under RetirementPlus and, because of a break in service, he or she has not contributed at 11 percent for the required five years, you will still need to continue to complete an APA.

In the next few months, we will be reviewing our processes and updating our forms to accommodate these cases, and will be sure to address these issues in a future Employer Bulletin. ■

*Do you have a question about enrolling a member, withholding retirement contributions, establishing contribution rates or submitting payroll deductions? If so, please submit it to us at **empsup@trb.state.ma.us** and we'll reply via e-mail. We'll publish the Q&A that we think might be helpful to your colleagues in a future Employer Bulletin!*